

**Testimony in support of
HB 7244 AN ACT CONCERNING THE PROPERTY TAX EXEMPTION FOR VETERANS
HAVING DISABILITY RATINGS
VETERANS' AFFAIRS COMMITTEE PUBLIC HEARING
THURSDAY, MARCH 5, 2019
LEGISLATIVE OFFICE BUILDING
10:00 AM Room 1E**

Chairman Maroney, Chairwoman Borer, distinguished members of the Veteran's Affairs Committee, for the record my name is Joshua and I am a resident of Connecticut offering this written testimony in support of HB 7244. I submitted HB 7059 through my State Representative John Hampton that has been consolidated into the HB 7244 effort.

Thank you for holding this public hearing and the opportunity to submit written testimony here today. I regret to inform you that I cannot attend this meeting in person today to give my personal testimony due to medical reasons.

Please keep this in mind through this hearing: The median household annual income in Connecticut is \$94,000. A 100% totally disabled veteran receives \$30,000 a year from the VA. The median price of a home in Connecticut is \$240,000. With an average mill rate of \$40 this means that the average property tax bill is about \$9600 per year just on the median home price. We are essentially asking a fully disabled veteran to use almost 33% of his or her income to pay property tax as the law and proposed bill stands.

Let me start off by saying that I support and welcome any change to the current veteran property tax exemptions in Connecticut that would increase said exemptions. As you can see from the attached chart labeled *exhibit one, Connecticut property tax exemptions for veterans currently living in Connecticut trail the majority of the nation.

While I support HB 7244 because of the stakeholder and legislative realization that Connecticut needs to do more for its veterans, my primary issue lies within the first 24 lines of HB 7244 and its failure to address Connecticut disabled Veterans needs. Specifically the following four issues:

1. The exemption requirement should be written to include the word "shall" before all exemptions instead of the word "may" so that all municipalities shall be bound to this bill's requirements upon law.
2. The amounts proposed for appraised property value exemptions for Connecticut Veterans based on disability level (i.e. \$1500, \$2000, \$2500, \$3500) are not adequate
3. The use of set dollar amounts of exemption instead of percentages is not adequate
4. A veteran who is 100 percent disabled by the U.S. Department of Veterans Affairs by either Individual Unemployability (IU), or considered permanently and totally disabled by the U.S. Department of Veterans Affairs has not been considered in this bill.

Issue 1: The exemption requirement should be written to include the word "shall" before all exemptions instead of the word "may" so that all municipalities shall be bound to this bill's requirements upon law. If this is not done you may experience migrations of veteran taxpayers moving into and out-of certain municipalities according to the local tax exemptions based on more favorable/unfavorable tax-friendly locales which will disrupt local tax revenues.

Issue 2: It is concerning that HB 7244 proposes using set amounts of property tax exemption (i.e. \$1500, \$2000, \$2500, \$3500) that does not and cannot account for inflation, rising housing costs, and/or mill tax rate increases for the Connecticut municipalities in which veterans own property. This is the issue with the currently enacted Connecticut Veteran property tax exemption law [Section 1. Subdivision (20) of section 12-81]. The current law has to be modified (just as we are doing now) as time goes on due to inflation, rising property tax rates, and rising appraisal values in some cases. By using exemption percentages (i.e. 5%, 10%, 20%, and a 100% full exemption) instead of dollar amount exemptions, we can ensure that this law will remain law for a very long time while at the same time keeping Connecticut at the forefront of veteran-friendly states shown on *exhibit one.

My proposal is to replace the set amounts with the following percentages:

- A) any veteran as defined in CT Law 27-103 of the general statutes without a VA disability rating or a rating of 0% through 29% shall receive a 5% tax exemption off the appraised value of his/her primary home OR up to two combined private motor vehicles registered in the State of CT.
- B) any veteran as defined in CT Law 27-103 of the general statutes with a VA disability rating of 30% through 79% shall receive a 10% tax exemption off the appraised value of his/her primary home OR up to two combined private motor vehicles registered in the State of CT.
- C) any veteran as defined in CT Law 27-103 of the general statutes with a VA disability rating of 80% through 100% shall receive a 20% tax exemption off the appraised value of his/her primary home OR up to two combined private motor vehicles registered in the State of CT.
- D) any veteran as defined in CT Law 27-103 of the general statutes with a VA disability rating of 100% that IS permanent and total and/or IS receiving IU with a lesser disability rating shall receive a 100% full tax exemption off the appraised value of his/her primary home AND two private motor vehicles registered in the State of CT.

This will in turn not only keep, but bring more veterans into Connecticut thus building our state and local tax base further by sheer strength in number of citizens while avoiding inflation and rising mill rates.

Issue 3: The currently enacted and proposed exemption dollar amounts are entirely too low in comparison to the majority of other states listed in *exhibit one and not much higher than current law. Property tax mill rates in Connecticut are among the highest in the nation. By keeping and suggesting such low exemption amounts you are essentially telling the disabled veteran population of Connecticut on fixed VA Benefit amounts to seek residence elsewhere or not relocate to Connecticut as property tax rates increase along with all other living expenditures.

Issue 4: HB 7244 contains absolutely no additional tax benefit for a veteran who is 100 percent permanently disabled or in receipt of IU without any additional stipulations. This needs to be added to the bill/law as a full exemption. As you can see from *exhibit one there are many states (VA, FL, TX) in the nation that completely exempt these veterans from property tax liability on both their primary home and their primary vehicle. This is generally because of the personal economic impact these veterans experience by being so disabled. The impact on municipality tax base would be minimal as you can see from *exhibit two there are currently only 3,400 veterans living in Connecticut as of fiscal year 2017 that meet this requirement. The population of Connecticut is 3.6 million people. This means that we are talking about less than 1% of the total population of Connecticut.

In conclusion I urge you to consider taking Connecticut to the forefront of states that show how much our veteran population means to us. Connecticut is great and wonderful place to live, raise and start a family, and experience life. It should remain a place that all citizens can own a home and raise their kids. Unfortunately for many of those who keep our freedom free, the possibility of keeping financially afloat due to disabilities incurred while serving their country is a reality in this state. Remember: the median household annual income in Connecticut is \$94,000. A 100% totally disabled veteran receives \$30,000 a year from the VA. The median price of a home in Connecticut is \$240,000. With an average mill rate of \$40 this means that the average property tax bill is about \$9600 per year just on the median home price. We are essentially asking a fully disabled veteran to use 33% of his or her income to pay property tax. For many veterans home ownership in the state is out of reach due to property tax. I urge you to consider my points outlined in my testimony and make the right move for our veteran population whom have given so much and who continue the fight on a daily basis.

Respectfully,

Joshua Maurer

Enclosures:

Exhibit 1
Exhibit 2

Exhibit 1:

State	Minimum Disability Requirement
Alabama	A disabled veteran in Alabama may receive a full property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of service and has a net annual income of \$12,000 or less. Exemptions differ between the state and counties, click here for detailed information.
Alaska	A disabled veteran in Alaska may receive a property tax exemption of up to the first \$150,000 of the assessed value of his/her primary residence if the veteran is 50 percent or more disabled as a result of service. The exemption transfers to a surviving spouse if the veteran is deceased from a service connected cause.
Arizona	A disabled veteran in Arizona may receive a property tax exemption of \$3,000 on his/her primary residence if the total assessed value does not exceed \$10,000.
Arkansas	A disabled veteran in Arkansas may receive a full property tax exemption on his/her primary residence if the veteran is blind in one or both eyes, lost the use of one or more limbs or is 100 percent permanently and totally disabled as a result of service.
California	There are two categories for full property tax exemptions in California. Eligible veterans or their surviving spouse may receive a basic exemption if the assessed value does not exceed \$100,000; or a low income exemption if the assessed value does not exceed \$150,000 when the household income does not exceed \$40,000. Both categories are for full property tax exemptions. Click here for specifications on disability ratings that qualify for California's property tax exemption.
Colorado	A veteran with a 100 percent disability rating in Colorado may receive a property tax exemption of 50 percent of the first \$200,000 of the actual value of his/her primary residence. A property tax deferral exists for eligible veterans over the age of 65 and for active duty personnel.
Connecticut	All eligible veterans in Connecticut may receive a property tax exemption of \$1,500 from the total assessed value of his/her property if the veteran served at least 90 days of active duty during wartime and are honorably discharged. Veterans below a certain income level and/or disabled veterans are eligible for additional exemptions. Contact your municipality's Tax Assessor for specific details.
Florida	A disabled veteran in Florida may receive a property tax exemption of \$5,000 on any property he/she owns if 10 percent or more disabled from a result of service. If the veteran is 100 percent disabled as a result from service then he/she may receive a full property tax exemption. Other homestead exemptions exist for veterans over the age of 65 and surviving spouses, learn more here .
Georgia	A disabled veteran in Georgia may receive a property tax exemption of \$60,000 or more on his/her primary residence if the veteran is 100 percent disabled, depending on a fluctuating index rate set by the U.S. Secretary of Veterans Affairs. The current amount is \$63,780; property in excess of this exemption remains taxable.
Hawaii	A disabled veteran in Hawaii may receive a full property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of service.
Idaho	A disabled veteran in Idaho may receive a property tax exemption up to \$1,320 on his/her primary residence if the veteran is 10 percent or more disabled as a result of service and a reported total income of \$30,050 or less for 2017.

<u>Illinois</u>	A qualified disabled veteran in Illinois with a disability of at least 30-50 percent will receive a \$2,500 reduction in EAV; those with 50-70 percent can receive a \$5,000 exemption; and those with 70 percent or more pay no property tax. Qualifying returning veterans can also receive a \$5,000 reduction to their homes' equalized assessed value. Contact local County Assessor's Office for details
<u>Indiana</u>	A disabled veteran in Indiana may receive a property tax exemption of up to \$24,960 if the veteran served honorably during any period of wartime and is 100 percent disabled as a result from service, or is at least 62 years of age with at least a 10 percent service-connected disability.
<u>Iowa</u>	A veteran in Iowa may receive a property tax exemption of \$1,852 on his/her primary residence if the veteran served on active duty during a period of war or for a minimum of 18 months during peacetime. A disabled veteran in Iowa may receive a full property tax exemption if the veteran is 100 percent disabled as a result from service.
<u>Kansas</u>	A disabled veteran or qualifying family member in Kansas may receive a property tax exemption on his/her primary residence if the veteran is 50 percent or more disabled as a result of service. The exemption amount is determined based on income.
<u>Kentucky</u>	Homeowners 65 and older or totally disabled as determined by a government agency in Kentucky may receive a property tax exemption of up to \$37,600 on his/her primary residence.
<u>Louisiana</u>	A disabled veteran in Louisiana may receive a property tax exemption of up to the first \$150,000 of the assessed value of his/her primary residence if the veteran is 100 percent disabled as a result of service.
<u>Maine</u>	Veterans with or without service-connect disabilities and their surviving spouses in Maine may receive a property tax exemption of up to \$6,000 on their primary residence if the veteran is 62 years or older or is 100 percent disabled. More exemptions exist for veterans that are paraplegic and for spouses with certain circumstances. Read more.
<u>Maryland</u>	A disabled veteran in Maryland may receive a full property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of service.
<u>Massachusetts</u>	A disabled veteran in Massachusetts may receive a property tax exemption on his/her primary residence if all qualifications are met. To qualify, one must be at least be 10 percent disabled, must have lived in Massachusetts for six months prior to enlisting and have lived in the state for five consecutive years. An exemption of \$400 may be received if the veteran is 10 percent or more disabled, a Purple Heart Recipient or Gold Star parent. A \$750 exemption may be received if the veteran lost the use of one hand, one foot or one eye; \$1,250 if the veteran lost the use of both hands, both feet or a combination of the two, or if the veteran is blind in both eyes as a result of service. A veteran may receive a \$1,500 exemption if 100 percent disabled as a result of service. The MA Department of Revenue prepared a full overview of local exemptions.
<u>Michigan</u>	A disabled veteran in Michigan may receive a full property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of service. The state also offers a homestead tax credit and property tax relief for active military personnel.
<u>Minnesota</u>	A disabled veteran in Minnesota may receive a property tax exemption of up to \$300,000 on his/her primary residence if the veteran is 100 percent disabled as result of service. Veterans with a disability rating of 70 percent or more may receive an exemption of up to \$150,000. Surviving spouses of military personnel are eligible to receive a \$300,000 exclusion.
<u>Mississippi</u>	A disabled veteran in Mississippi may receive a full property tax exemption on his/her primary residence if the assessed value is \$7,500 or less and the veteran is 100 percent disabled as a result of service.

<u>Missouri</u>	A disabled veteran in Missouri may receive a full property tax exemption on his/her primary residence if the veteran is a former Prisoner of War and is 100 percent disabled as a result of service.
<u>Montana</u>	A disabled veteran and certain spouses in Montana may receive a property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of service. The exemption amount varies based on income and marital status, as determined by the Montana Department of Revenue.
<u>Nebraska</u>	A disabled veteran in Nebraska may receive a property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of wartime service.
<u>Nevada</u>	A disabled veteran in Nevada may receive a property tax exemption of up to \$20,000 of the assessed value of his/her primary residence if the veteran is 60 percent or more disabled as a result of service.
<u>New Hampshire</u>	A disabled veteran in New Hampshire may receive a full property tax exemption on his/her primary residence if the veteran is 100% disabled, blind, paraplegic or a double amputee as a result of service and owns a specially adapted home acquired with assistance from the VA. A disabled veteran that is 100% disabled may receive a tax credit of \$700.
<u>New Jersey</u>	A disabled veteran in New Jersey may receive a full property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of wartime service.
<u>New Mexico</u>	A veteran or their non-remarried surviving spouse who served a minimum of 90 days consecutive active duty (other than for training), was honorably discharged may qualify for a \$4,000 reduction in the taxable value of their property.
<u>New York</u>	A disabled veteran in New York may receive one of three different property tax exemptions on his/her primary residence. The exemption amount varies based on type of service, disability as determined by the New York State Division of Veterans Affairs and the value of the exemption as determined by the county or municipality.
<u>North Carolina</u>	A disabled veteran in North Carolina may receive a property tax exemption of up to the first \$45,000 of the appraised value of his/her primary residence if the veteran is 100 percent disabled as a result of service.
<u>North Dakota</u>	A paraplegic disabled veteran in North Dakota may receive a property tax exemption for the first \$120,000 on his/her primary residence or if the veteran has been awarded specially adapted housing. A disabled veteran with a rating of 50 percent or greater may receive an exemption against the first \$6,750 of the taxable valuation.
<u>Ohio</u>	A disabled veteran in Ohio may receive a property tax exemption up to \$50,000 of the market value on his/her primary residence if the veteran is 100 percent disabled as a result of service.
<u>Oklahoma</u>	A disabled veteran in Oklahoma may receive a full property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of service. The Oklahoma 100 percent Veteran Disability Tax Exemption applies to sales tax, excise tax and ad valorem tax.
<u>Oregon</u>	A disabled veteran or surviving spouse in Oregon may receive a property tax exemption on his/her primary residence if the veteran is 40 percent or more disabled as a result of service. The exemption amount varies annually according to income and increases by 3 percent each year. The 2016 exemption amounts are \$21,386 or \$25,665.
<u>Pennsylvania</u>	A disabled veteran in Pennsylvania may receive a full property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of wartime service. To be eligible a veteran must prove financial need, which according to the state is income less than \$88,607. Veterans whose income exceeds that value may still be eligible.

<u>Rhode Island</u>	A disabled veteran in Rhode Island may receive a property tax exemption on his/her primary residence. The exemption amount varies based on county, the value of the property and the exemption category that the veteran qualifies for. There are seven categories: Veterans' regular exemption, Unmarried Widow of Qualified Veteran, Totally Disabled Veteran, Partially Disabled Veteran, Gold Star Parents' exemption, Prisoner of War exemption and Specially Adapted Housing exemption. Check what your potential exemption may be by county here .
<u>South Carolina</u>	A disabled veteran or their surviving spouse in South Carolina may receive a full property tax exemption if the veteran is 100 percent disabled as a result of service. The disability rating from the Department of Veterans Affairs must include one of the following conditions: paraplegia, hemiplegia or quadriplegia, Parkinsons, Multiple Sclerosis (MS), or Amyotrophic Lateral Sclerosis (ALS). A Homestead exemption is available for all persons over 65 and/or totally and permanently disabled.
<u>South Dakota</u>	A disabled veteran in South Dakota may receive a property tax exemption of up to \$100,000 on his/her primary residence if the veteran is 100 percent disabled as a result of service. Paraplegic veterans may receive a full property tax exemption.
<u>Tennessee</u>	A disabled veteran in Tennessee may receive a property tax exemption on the first \$100,000 of his/her primary residence if the veteran is 100 percent disabled and has lost the use of two or more limbs or is blind in both eyes as a result of service. The exemption amount varies by county.
<u>Texas</u>	<p>In Texas, a veteran with a disability rating of:</p> <p>70- 100 percent may receive a \$12,000 property tax exemption. Veterans with a full 100% disability rating are fully exempt from property taxes.</p> <p>50- 69 percent may receive a \$10,000 property tax exemption.</p> <p>30- 49 percent may receive a \$7,500 property tax exemption.</p> <p>10- 29 percent may receive a \$5,000 property tax exemption.</p>
<u>Utah</u>	A disabled veteran in Utah may receive a property tax exemption on his/her primary residence if the veteran is 10 percent or more disabled as a result of service. The maximum taxable value of a property is \$260,370. Active duty armed forces personnel may receive a full property tax exemption if he/she is deployed out-of-state for military duty.
<u>Vermont</u>	A disabled veteran in Vermont may receive a property tax exemption of at least \$10,000 on his/her primary residence if the veteran is 50 percent or more disabled as a result of service. The exemption amount varies as each town votes on the amount. The maximum exemption amount allowed by the state is \$40,000.
<u>Virginia</u>	A disabled veteran in Virginia may receive a full property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of service.
<u>Washington</u>	A disabled veteran in Washington may receive a property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of service. The exemption amount is based on income, as determined by the Washington State Department of Veterans Affairs. Veterans with less than a 100 percent disability rating may receive a partial exemption.
<u>West Virginia</u>	A 100 percent disabled veteran or any veteran over the age of 65 in West Virginia is exempt from paying taxes on the first \$20,000 of assessed value on a self-occupied property if the veteran was a resident of the state at the time they enter military service.
<u>Wisconsin</u>	A disabled veteran or their surviving spouse in Wisconsin may receive a property tax credit on

	their state income tax return for his/her primary residence if the veteran is 100 percent disabled as a result of service or has a 100 percent SCD rating. The veteran must have lived in Wisconsin when they entered into service or for a 5 year period after entering. The exemption amount varies.
Wyoming	A veteran in Wyoming may receive a property tax exemption of \$3,000 of the assessed value of his/her primary residence if the veteran has lived in the state for 3 or more years and served during a period of war. Disabled veterans are eligible for the same exemption. If the exemption is not use, it can be applied toward their vehicle's license fee.
District of Columbia	A veteran must be over the age of 65 or disabled in order to qualify for a property tax exemption in the District of Columbia. The exemption reduces the veteran's property tax by 50 percent. To qualify the veteran must own at least 50 percent of the property and annual income cannot exceed \$130,550.

Exhibit 2:

2017 VA Disability Compensation and Pension Recipients by County of Residence

Source: Department of Veterans Affairs, Office of Data Governance and Analytics, United States Veterans Eligibility Trends & Statistics (USVETS) 2017

Prepared by National Center for Veterans Analysis & Statistics

** denotes less than 10 recipients. Some categories may not sum to the total due to missing information

FIPS Code	State	County	Total: Compensation	0% to 20% Rating	30% to 40% Rating	50% to 60% Rating	70% to 90% Rating	100% Rating
09001	Connecticut	Fairfield	3,864	1,381	691	564	793	435
09003	Connecticut	Hartford	6,824	2,511	1,157	976	1,323	857
09005	Connecticut	Litchfield	1,690	624	305	222	324	215
09007	Connecticut	Middlesex	1,496	517	287	217	301	174
09009	Connecticut	New Haven	6,621	2,304	1,102	902	1,350	963
09011	Connecticut	New London	3,862	1,175	757	667	872	391
09013	Connecticut	Tolland	1,374	501	267	180	272	154
09015	Connecticut	Windham	1,668	551	260	275	353	229
		Totals:	27,399	9,564	4,826	4,003	5,588	3,418